Benchmarking – A tool for judgment or improvement?

Change in construction is high on the agenda for the Danish government and a comprehensive effort is done in improving quality and efficiency. This has led to an initiated governmental effort in bringing benchmarking into the Danish construction sector. This paper is an appraisal of benchmarking as it is presently carried out in the Danish construction sector. Many different perceptions of benchmarking and the nature of the construction sector, lead to an uncertainty in how to perceive and use benchmarking, hence, generating an uncertainty in understanding the effects of benchmarking. This paper addresses these issues, and describes how effects are closely connected to the perception of benchmarking, the intended users of the system and the application of the benchmarking results. The fundamental basis of this paper is taken from the development of benchmarking in the Danish construction sector. Two distinct perceptions of benchmarking will be presented; public benchmarking and best practice benchmarking. These two types of benchmarking are used to characterize and discuss the Danish benchmarking system and to enhance which effects, possibilities and challenges that follow in the wake of using this kind of benchmarking. In conclusion it is argued that clients and the Danish government are the intended users of the benchmarking system. The benchmarking results are primarily used by the government for monitoring and regulation of the construction sector and by clients for contractor selection. The dominating use of the benchmarking results is judgment oriented and this is argued to generate competition among the contractors, thus, undermining the distribution of best practice and voluntary knowledge sharing among contractors. It is argued that benchmarking in the Danish construction sector to a certain extend constructs an overall comprehension of what constitutes project success.